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March 19, 1992

EX PARTE OR LATE FILED

Donna R. Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Ex Parte Notice RM 7872

Dear Ms. Searcy:

In accordance with Section 1.1200 et. seq. of the Commission's rules, this is to advise that on Thursday, March 19, 1992, representatives of Suite 12 Group ("Suite 12") met with Robert Pepper and Jonathan Levy to discuss issues in this proceeding.

Those present were Shant Hovnanian and Bernard Bossard, of Suite 12 Group, and Henry M. Rivera and Larry Solomon, of Ginsburg, Feldman and Bress, Chartered.

The discussion involved the Petition for Rulemaking filed in this proceeding by Suite 12, Oppositions to that Petition, status of the Hye Crest authorization and related issues, services Suite 12 is contemplating, costs and the potential effect on competition thereof, and pending waiver applications involving the 28 GHz band. The attachments to this Ex Parte Notice were used in that discussion.

A copy of this Ex Parte Notice was filed with the Commission and delivered to Robert Pepper on March 19, 1991.

Respectfully submitted,

Henry M. Rivera

HMR:lmc
Enclosures
cc: Robert Pepper, Ph.D.
Albert Halprin, Esq.
Paul Sinderbrand, Esq.
Barry Lambergman, Esq.
Jonathan Levy, Esq.

HYE CREST AUTHORIZATION

- Past -

- In January, 1990, FCC granted Hye Crest's waiver request to provide 24 one-way video channels on a non-common carrier basis, in the 28 GHz band at Brighton Beach, New York. (Hye Crest is owned and operated by Suite 12 Group and makes use of Suite 12's patented technology.)

- The Hye Crest System is a prototype MLDS System and is only one aspect of the MLDS System which is subject of Suite 12's Rulemaking Petition

- FCC originally indicated that Hye Crest had to construct its system by January of 1992

- Major technical advances enabled Suite 12 to accommodate twice the number of video channels originally authorized with better quality and reliability.

    - To implement the expanded service, an extension of the construction period was requested and granted through July 3, 1992.

    - New transmitting equipment has been type accepted by the FCC.

    - Unopposed application for modification to utilize the new equipment is expected to be granted by the end of March.

HYE CREST AUTHORIZATION

- Present -

- o Initial transmitter site has been constructed
- o All equipment, except subscriber units, is in place
- o Technical arrangements for video feeds have been established
- o Marketing plans have been developed
- o Administrative, ordering and billing arrangements have been finalized
- o Equipment installation agreements, with one of the largest MMDS and cable equipment installers in U.S., have been finalized
- o Programming has been acquired that is virtually identical with that offered on cable

HYE CREST AUTHORIZATION

- Future -

- Large volume orders for subscriber receivers should be placed by the end of March and initial deliveries should be made in mid-June, 1992

- Costs to consumers will be approximately 60% of what is charged by cable

- Commercial service is expected to commence in late June, 1992

REASONS TO EXPEDITE RULEMAKING

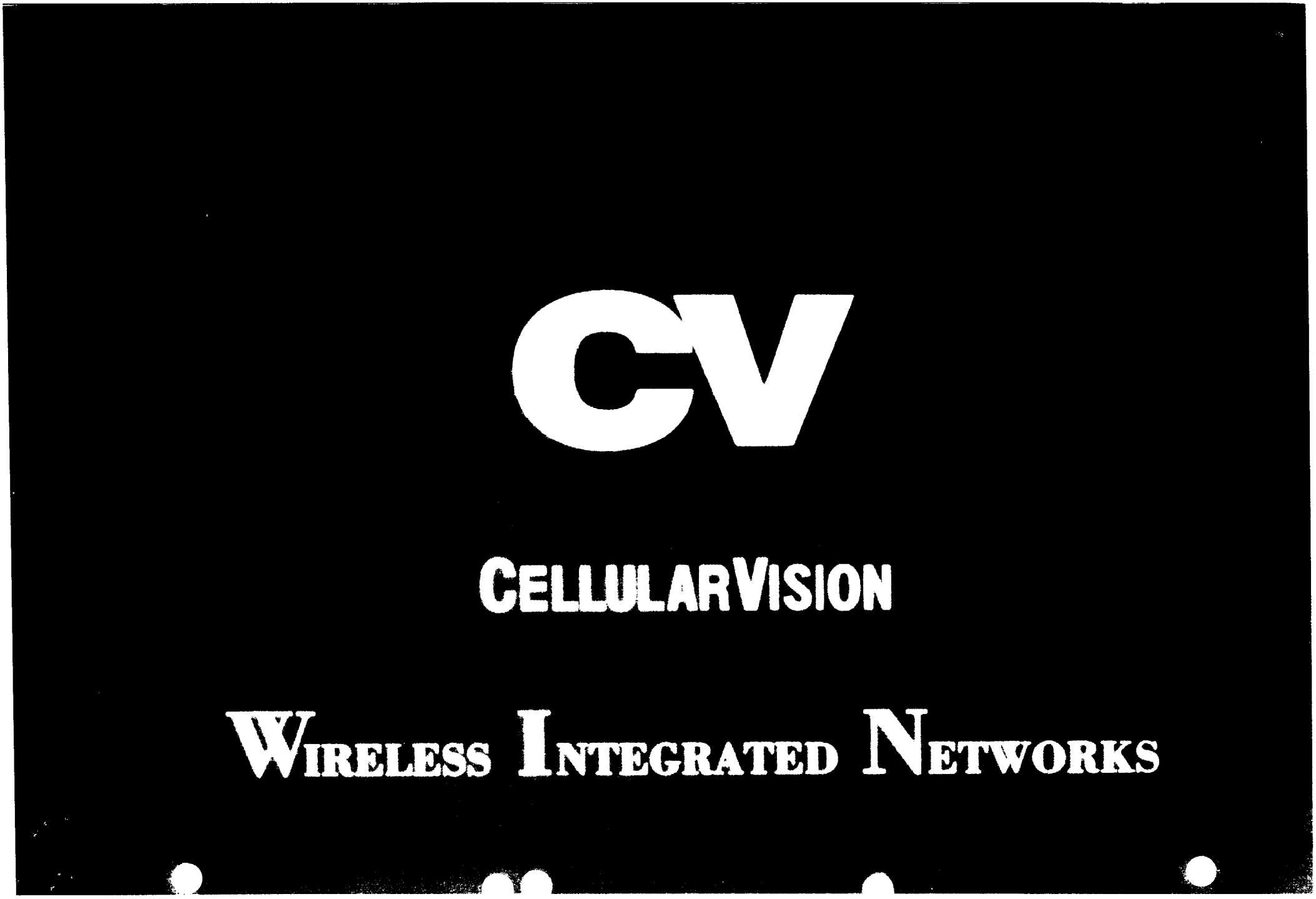
- Spectrum is currently fallow
- MLDS offers a regulatory panacea -- utilizing the most advanced American technology -- to provide all services promised by fiber at prices substantially below current providers' prices
  - MLDS will compete very effectively with cable by providing a low-cost alternative to traditional cable (approximately 40% less)
  - Since MLDS can offer everything that fiber can, MLDS can provide competition to telco-provided video, voice, data and information services
    - ▸ Video Dial Tone service could be much more than has been proposed and can be implemented earlier
- MLDS can provide additional or alternative spectrum for HDTV
- MLDS can provide low-cost facilities for PCS without requiring any incumbents to vacate spectrum, and, thus, help to make PCS a reality sooner and at less cost
  - Interconnect nodes
- The 18, 21, and 30 GHz point-to-point frequency bands can provide 29,072 links in one cell
- Enormous demand for MLDS waiver applications are evidence of demand for service
- New services and service offerings will help to stimulate the economy
- No reason to delay
  - Pleading cycle completed
    - Virtually everyone supported
    - Cable and telcos did not oppose
    - Comments/oppositions filed are without merit
      - ▸ Harris/Faranon not really opposed, as suggests point-to-point operations can be provided on a shared basis
      - ▸ Video/Phone proposes a service using Suite 12 technology that Suite 12 has previously proposed -- nothing new here
      - ▸ Wireless communications association filed self-serving opposition to protect MMDS community from MLDS competition -- no reason to delay

MLDS[1/] TECHNOLOGY CAN PROVIDE THE FOLLOWING SERVICES SIMULTANEOUSLY IN EACH CELL

- o Television program service at about sixty percent the rate of traditional cable service
- o MLDS can solve the major problem of PCN Systems by providing all the necessary transmission facilities
- o Local transactional services, such as travel, banking and local shopping
- o Educational services for the local schools and colleges
- o Medical services by allowing high resolution transmission of radiology and other material
- o Introduction of demographic programs on a cell-by-cell basis
- o Interactive games and contests
- o Early introduction of HDTV
- o Computer interface at high bit rates and low bit errors (one part in ten billion) without operation schemes
- o Compact Disc Quality radio and television programs
- o Video conferencing on home television using video camera as transmitting source
- o Any service requiring large bandwidth and high availability rates
- o 17 to 136 (GMSK) thousand simultaneous stereo quality telephone calls
- o Up to one gigabit of data, and 664 (64 QAM) to 2500 (GMSK) video conferences in a single cell

The Suite 12 Group

1/ "MLDS" or Multichannel Local Distribution Service" is the name suggested by Suite 12 for a new 27.5-29.5 GHz service.


CV
CELLULARVISION
WIRELESS INTEGRATED NETWORKS

CELLULARVISION technology offers consumers the ability to utilize the same spectrum for a number of simultaneous purposes including:

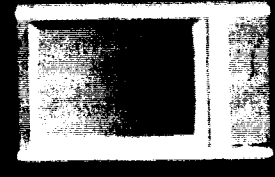
- *Cellular Television* for cable tv with
  studio quality picture,
  HDTV compatability, and
  interactive TV and multimedia compatability;

- *Telephone* -
  competetive service to local access carrier,
  Personal Communications Services (PCN),
  Video Teleconferencing;

- *Data* -
  high speed data transfer with capacities
  exceeding fiber optic networks,
  can accomodate one gigabyte per second per
  1,000 Mhz without data compression and
  resultant bit error rates are lower than fiber
  optic cable;

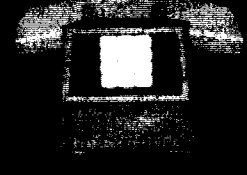
- *Transactional Services* -
  computerized banking,
  billing inquiries,
  service networks.

Of 2,000 MHz Bandwidth

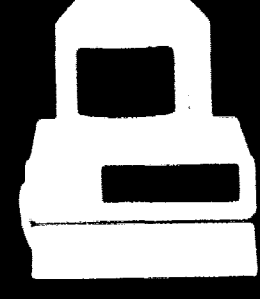


CABLE TV

TRANSACTIONAL



TELEPHONE



DATA

CELLULARVISION offers the ability to provide all these services simultaneously. By using one network (with costs competetive with any one service) to provide all services, the resultant cost to consumers is far less then the cost of obtaining these services separately.

...rVision Advantage

Rate Comparison

Voice

Data

3 Services

3 Systems

Higher Service Rates

Data

3 Services

1 System

Lower Service Rates

CELLULARVISION technology offers consumers the ability to utilize the same spectrum for a number of simultaneous purposes including:

- *Cellular Television* for cable tv with
  studio quality picture,
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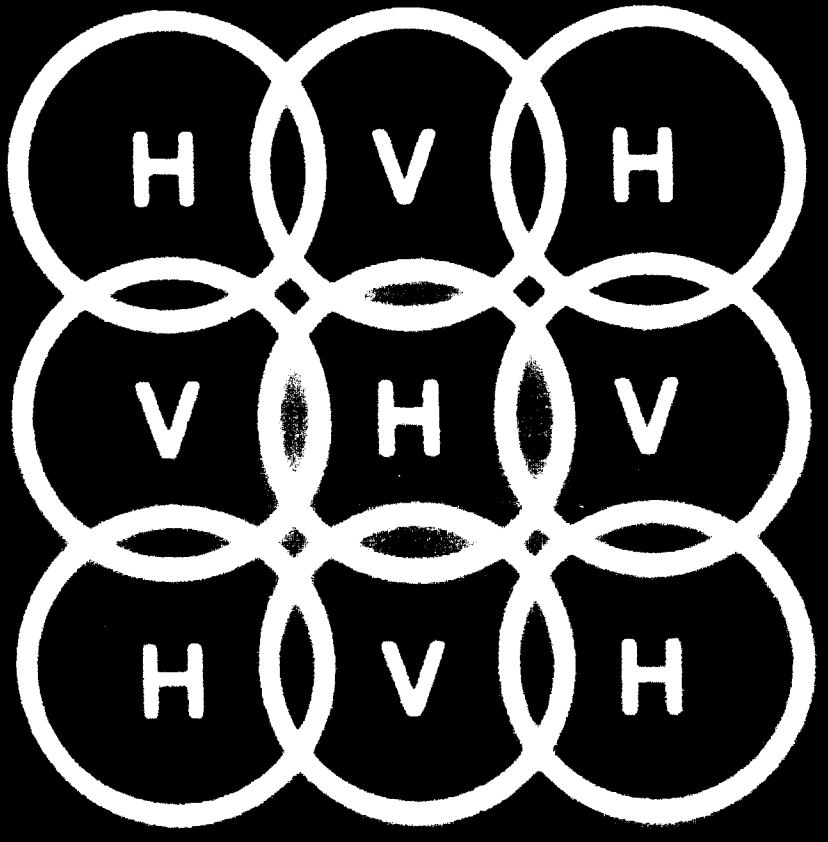
  1,000 Mhz without data compression and
  resultant bit error rates are lower than fiber
  optic cable;

- *Transactional Services* -
  computerized banking,
  billing inquiries,
  service networks.

CELLULARVISION operates in cells with the signal eminating in a 4.5 mile average radius from the transmitter (central node). Every receiver within the cell can also be a transmitter which can transmit back to the central node. This enables all interactive services. Each receiver is fully addressable. Therefore, each transceiver could also become the perfect low cost backbone for PCN systems.

Cost per Subscriber

When compared to other television delivery technologies, CELLULARVISION is far less expensive in its costs per subscriber. When you factor in the additional types of services provided, the cost is a small fraction of the cost of the only other system that could even approach these capabilities.



Frequency modulation

Alternating polarization

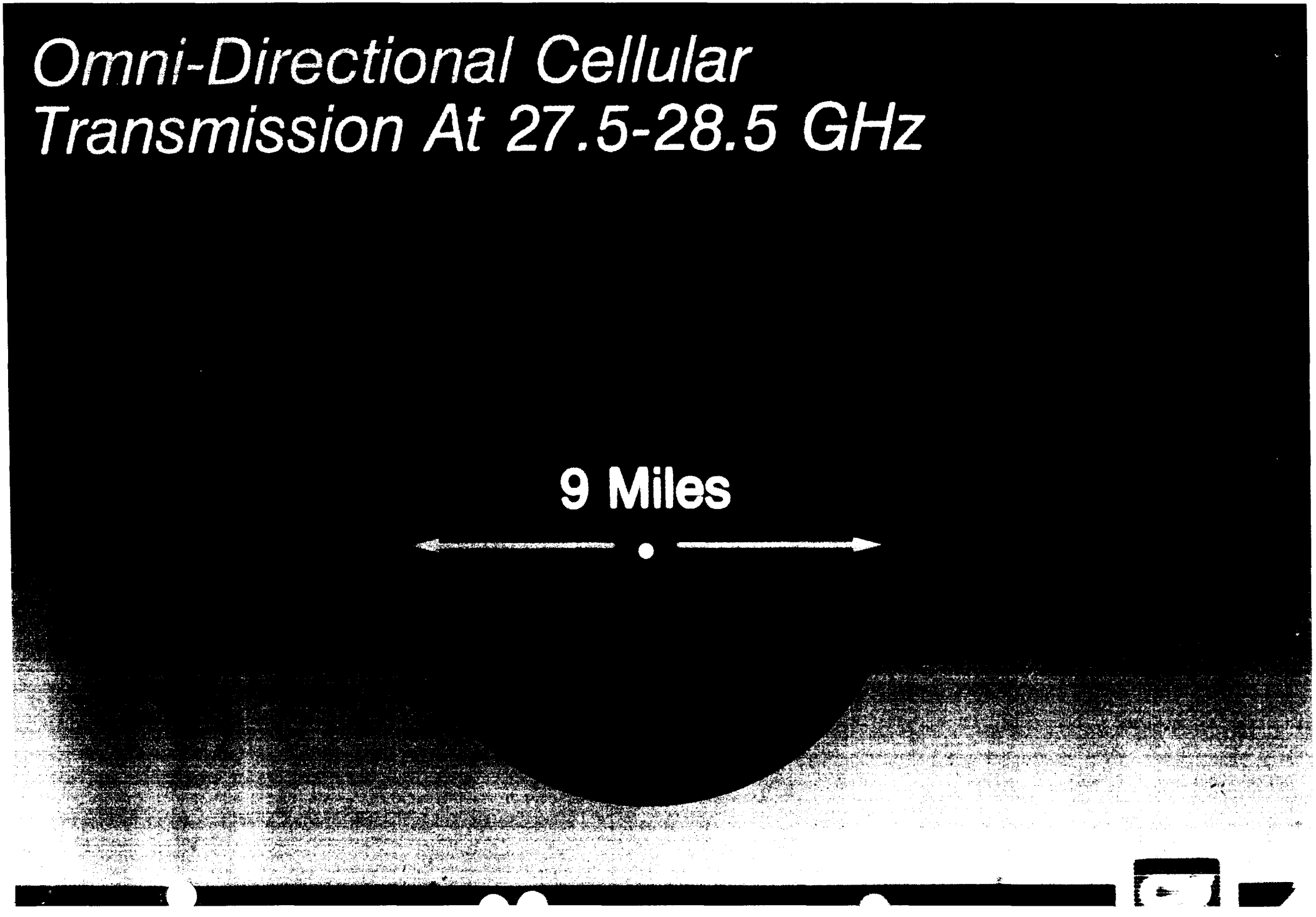
High antenna gains

Dormant spectrum

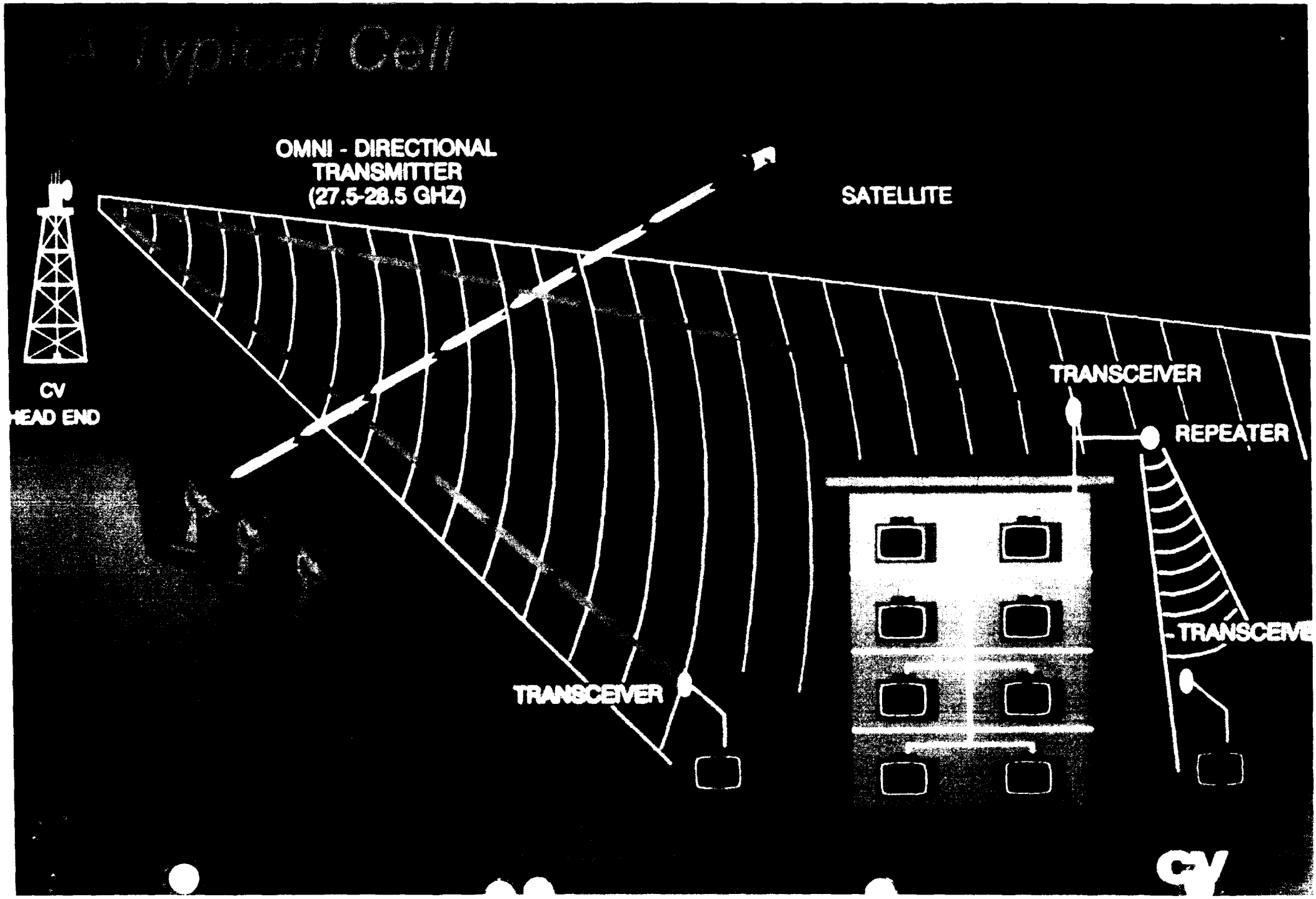
Co-existance capability

CELLULARVISION offers the option of having multiple dwelling buildings serviced by one receiver and then internally wired, or a better option is to allow each unit to utilize its own receiver thereby eliminating all possible maintenance costs or other problems associated with centralized wiring. The low cost and small size of the receivers enables this to be a viable option.

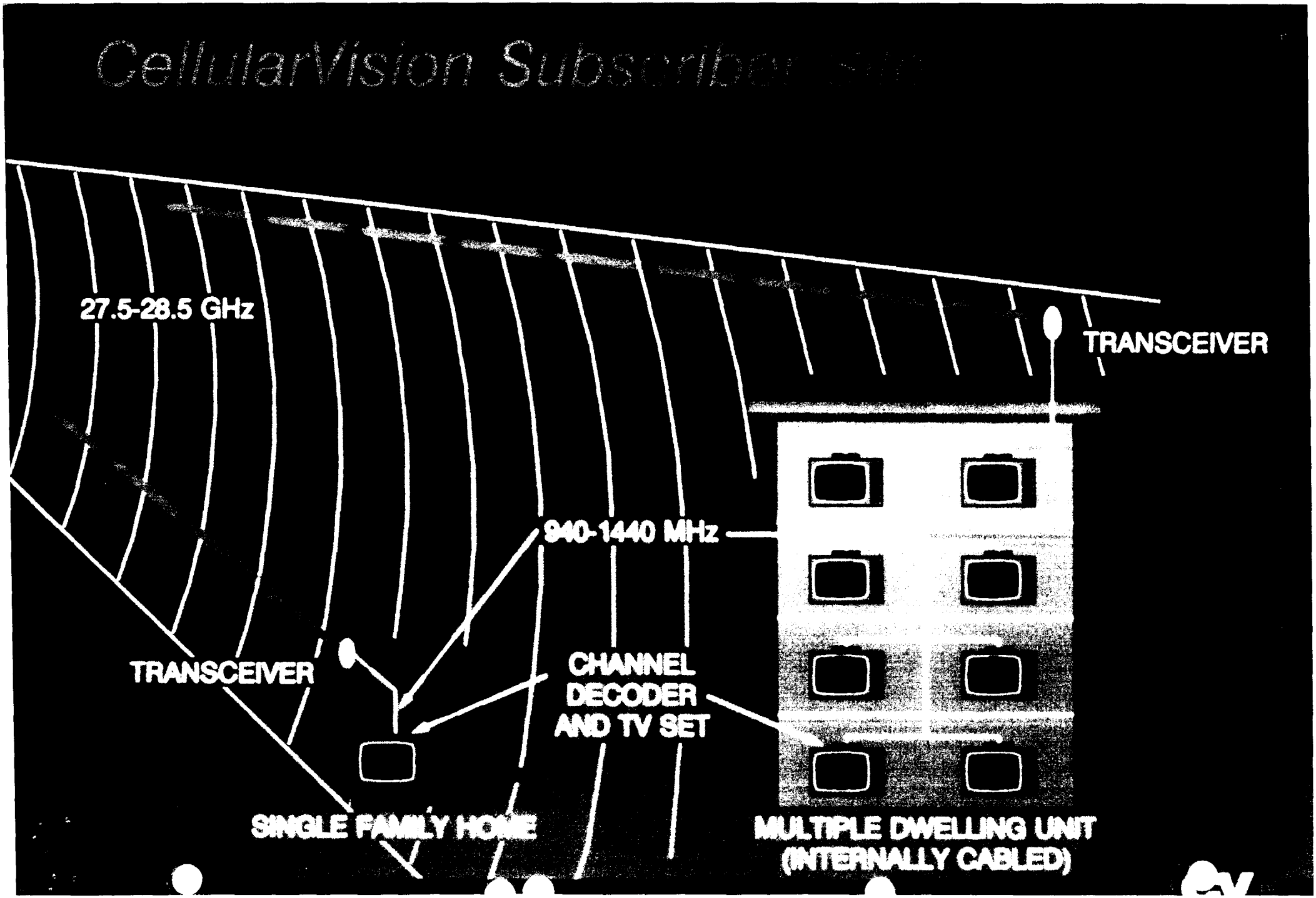
Wireless
TWO WAY
Interactive


Omni-Directional Cellular
Transmission At 27.5-28.5 GHz
9 Miles

The CellularVision system is a line of sight microwave system with omni-directional transmitters, but directional receivers. The signal can be passively reflected to cover all shadow areas. Alternatively, the signal can be actively repeated ad infinitum with virtually no signal loss distortion.


Typical Cell
OMNI - DIRECTIONAL
TRANSMITTER
(27.5-28.5 GHZ)
SATELLITE
CV
HEAD END
TRANSCEIVER
REPEATER
TRANSCEIVER
TRANSCEIVER
cv

A CELLULARVISION set top receiver/tuner.


CellularVision Subscriber
27.5-28.5 GHz
TRANSCEIVER
940-1440 MHz
TRANSCEIVER
CHANNEL
DECODER
AND TV SET
SINGLE FAMILY HOME
MULTIPLE DWELLING UNIT
(INTERNALLY CABLED)

A CELLULARVISION set top receiver